ANAECO LIMITED
ABN: 36 087 244 228

ANNUAL FINANCIAL REPORT 2018

Corporate Directory

Directors

Mr Martin Casey

Mr Craig Smith

Mr Peter Landos

Company Secretary

Mr Craig Smith

Registered office

Level 39, 55 Collins Street

Melbourne VIC 3000

Telephone: +61 3 9921 7171

Facsimile: +61 3 9921 7100

Share registry

Computershare Investor Services

Level 11

172 St Georges Terrace

Perth WA 6000

Auditor

Ernst & Young

8 Exhibition Street

Melbourne VIC 3000

DIRECTORS' REPORT

The directors present their report together with the Financial Statements of AnaeCo Limited ("the Company" or "AnaeCo" and its controlled entities "the Group") for the year ended 30 June 2018.

DIRECTORS

The names and details of the Company's directors in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Current Directors	Appointed	Position
Martin Casey	15 November 2018	Non-executive director
Craig Smith	15 November 2018	Non-executive director
Peter Landos	18 November 2020	Non-executive director
Former Directors	**Resigned/Retired**	**Position**
Steven Nicols[1]	18 November 2020	Non-executive director
Shaun Scott[2]	18 December 2017	Chairman
Gianmario Alessio ("Les") Capelli[2]	18 December 2017	Non-executive director
David Lymburn[2]	18 December 2017	Managing Director & Company Secretary

[1] Director appointed 15 November 2018, resigned as director on 18 November 2020.
[2] Director in office at the date the Company entered voluntary administration, 18 December 2017.

For director descriptions of former directors, we refer to 30 June 2017 Annual Report. See below descriptions of current directors, and retried director Steven Nicols:

Martin J Casey BEc, LLB (Monash), Non-executive Director

Mr Martin J Casey was appointed a director of the Company on 15 November 2018.
Mr Casey is a corporate adviser, with experience as an investment banker and is a qualified lawyer.

He advises a number of clients including Thorney Investment Group.
Mr Casey is a current director of ADG Global Supply Limited and also a partner in VC technology fund Rampersand.

Mr Casey was previously a director of Corporate Advisory at investment bank Credit Suisse and before that, a partner in an international law firm, (now Norton Rose Fulbright).

Steve Nicols B.Com, CPA:

Mr Nicols was appointed a director of the Company on 15 November 2018.

Mr Nicols is current director of Benelong Capital Partners Pty Ltd, and has 32 years of experience in accounting practice, specialising in recapitalising listed ASX Companies.

Craig Smith B.Bus (Acct), GIA(Cert)

Mr Smith has been Company Secretary of the private Thorney Investment Group since 2008 and the ASX Listed Investment Companies, Thorney Opportunities Ltd, since 2013 and Thorney Technologies, since 2016

He was formerly CFO / Company Secretary of Baxter Group Limited and Tolhurst Noall Limited.

Peter Landos, Non-executive Director
Mr Landos was appointed a director of the Company on 18 November 2020, after the resignation of Mr Nicols.

Mr Landos is current Chief Operating Officer of Thorney Investment Group of Companies, which he joined in 2000. Prior to joining, Mr Landos previously worked at Macquarie Bank Limited. Mr Landos has extensive business and corporate experience, specialising in advising boards and management in mergers and acquisitions, divestments, business restructuring and capital markets. Mr Landos is a non-executive director of Adacel Technologies and Gale Pacific Limited.

DIRECTORS’ REPORT

MEETINGS OF DIRECTORS

The number of meetings of the Board of Directors of the Company held during year ended 30 June 2018 and the number of meetings attended by each director is as follows:

	Meetings held	Meetings attended
Martin Casey	0	0
Steve Nicols	0	0
Craig Smith	0	0
Peter Landos	0	0
Shaun Scott[1]	1	1
Les Capelli[1]	1	1
David Lymburn[1]	1	1

[1]there were no official board meetings documented by the former directors for 30 June 2018, this meeting represents the AGM held 30 November 2017.

DIRECTORS’ INTERESTS IN SHARES OF THE COMPANY AND RELATED BODIES CORPORATE

The relevant interest of each Director in Shares of the Company at the date of this report is as follows:

	Fully Paid Ordinary Shares	In-substance Options Issued under LTI scheme	Total
Martin Casey	-	-	-
Steve Nicols	-	-	-
Craig Smith	-	-	-
Peter Landos[1]	4,371,300	-	4,371,300
Shaun Scott[1]	19,501,824	-	19,501,824
Les Capelli[1]	123,467,762	-	123,467,762
David Lymburn[1]	10,558,607	7,250,000	17,808,607

[1]held at time of the Company entering into administration, 18 December 2017.

ADMINISTRATION OF THE COMPANY

On 18 December 2017, the directors determined that the Company could not continue to fund its operations and continue as a going concern. On the same day the directors Shaun Scott and Les Capelli resigned as directors, and David Lymburn resigned as Managing Director and Company Secretary, and also resigned as employee. It was agreed that David Lymburn complete his duties until end of December 2017. The Company was then placed immediately into administration.

The decision to place the Company into administration arose as a result of the termination of the Tripartite Agreement between Xiaoqing Environmental Protection Technology Co Ltd (“XEPT”), Monadelphous Group Limited (“Monadelphous”) and AnaeCo, known as “the XEPT transaction” detailed in the 30 June 2017 annual financial report. This transaction was to meet AnaeCo’s funding needs, however due to the termination of the agreement and with no other alternative transactions available, AnaeCo did not have the financial means to continue as a going concern. Following this, control of all group assets and liabilities was transferred to Hayden White and Matthew Woods of KPMG (“the Administrators”).

From this point, the subsidiaries AnaeCo UK Ltd, AnaeCo Inc, and AnaeCo Asia Pte Ltd were no longer under the control of AnaeCo Ltd. The directors at the time no longer had the ability to exercise powers over these companies. The subsidiaries had not yet commenced business activities and the prior year values reflect minimal corporate and administrative expenses incurred. During the Company’s administration period the subsidiaries have subsequently been de-registered.

On 10 April 2018, the Creditors approved a Deed of Company Arrangement (“DOCA”) and was executed on 1 May 2018.

On 30 August 2018, the DOCA was extended successfully, as it was not able to be finalised in the initial timeline established earlier.

ADMINISTRATION OF THE COMPANY (CONT.)

On 15 November 2018, the DOCA was completed and the Administration of the Company ended.

Pursuant to the DOCA, the Administrators applied the funds received from Thorney Investment Group to the established Creditor's Trust Deed Fund and took steps to remove and appoint directors. The Administrator named three new directors, and the day to day management of the Company was transferred to the directors on this date.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On the 30 August 2017, the Company's securities were suspended from quotation on the ASX, due to the Company's going concern matters.

In December 2017, the directors placed the Company into administration. Control of all the assets and liabilities of the Company were transferred to the independent Administrators.

On 10 April 2018, the Company's creditors voted to approve a DOCA proposed by the Administrators and was executed on 1 May 2018. Under the DOCA Agreement, all claims by Creditors against the Company are completely discharged and become claims against the Creditor's Trust. Further it is agreed that Monadelphous receives a transfer of debtors, per the separate Deed of Assignment of Debt, signed 15 November 2018.

On 15 November 2018, the Company ceased being under administration and three new directors were appointed by the Administrators.

As of the date of the issue of this report, subsidiaries owned by AnaeCo Ltd (AnaeCo UK Ltd, AnaeCo Inc., Anaeco Asia Pte Ltd) are no longer registered and have been de-consolidated.

On 3 February 2020, AnaeCo Limited was officially removed from the official list by ASX under listing rule 17.12. Consequently, the Company is no longer listed on the ASX.

On 18 November 2020, Mr Steven Nicols resigned as director and Mr Peter Landos was appointed as director on the same day.

OPERATING AND FINANCIAL REVIEW

Since entering administration the Company's operations were under control of the Administrators. The Company currently has no operations.

DIVIDENDS PAID OR PROPOSED

No amounts have been paid or declared by way of dividend by the Company.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

At the date of this report, the Company does not have operations. The Board of Directors is currently considering future alternatives for the Company.

SIGNIFICANT EVENTS AFTER BALANCE DATE

In addition to the matters of the Company noted above, we report that Thorney Investment Group continues to fund the day-to-day operations of the Company. For further details on the funding arrangement, we refer to note 2. No additional subsequent events have been identified.

REMUNERATION REPORT (UNAUDITED)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* ("the Act") and its Regulations. This information has been audited as required by section 308(3c) of the Act. For the purposes of this report Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company directly or indirectly, including any director (whether executive or otherwise) of the Company.

For the purposes of this report, the term KMP is used in this remuneration report to refer to those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

The remuneration tables for the year ended 30 June 2018 include the remuneration up until the appointment of the Administrators on 18 December 2017.

Therefore, the Key Management Personnel are the former directors Les Capelli (non-executive director - appointed 28 November 2008), Shaun Scott (non-executive director - appointed 7 March 2012) and David Lymburn (MD & CEO - appointed 30 May 2014), up until 18 December 2017.

The appointed Administrators were Hayden White and Matthew Woods of KPMG (appointed 18 December 2017 to AnaeCo Ltd, up until 15 December 2018).

Remuneration Committee

Up until 18 December 2017, the Board of Directors was responsible for determining and reviewing compensation arrangements for the directors and the executive team. The entire Board acted as the remuneration committee. The Board assessed the appropriateness of the nature and amount of emoluments of such officers on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of appropriately qualified directors and executives.

Remuneration structure

This report explains the remuneration structure in place up until 18 December 2017.

Non-executive directors

Non-executive director remuneration is determined according to market practice for comparable companies and the Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 30 November 2006 when shareholders approved an aggregate remuneration of up to $450,000 per annum. Total remuneration for the year paid by the Company was $155,148 (2017: $152,334).

The former Chairman and other Non-executive directors received a base annual remuneration of $70,000 each, inclusive of superannuation. There were no additional fees for participation in Board committees, although consulting fees are payable when non-executive directors are required to work outside the normal remit for non-executive directors. No such consulting fees were paid or are payable for the period up to 18 December 2017 (30 June 2017: nil).

There were no options issued or exercised by the non-executive directors during the financial year. There are no outstanding share options on issue.

Executive remuneration

Objective

The Company aimed to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to:

- reward executives for Company, departmental and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board reviewed industry practices to benchmark market rates for KMP, and if it is considered appropriate, engage external consultants to provide independent advice. In 2018, no external consultants were engaged to provide advice.

The Company entered into a detailed contract of employment with Mr Lymburn. Details of this contract are provided below.

Remuneration consists of the following key elements:

- Fixed remuneration (base salary, superannuation and non-monetary benefits)
- Variable remuneration
  - Short term incentive ("STI"); and
  - Long term incentive ("LTI").

The proportion of fixed remuneration and variable remuneration for each executive is set out in the table on page 10.

Fixed remuneration

Objective

Fixed remuneration (base salary plus related superannuation contributions) was reviewed annually by the Board. The process consisted of a review of Company, departmental and individual performance, relevant comparative remuneration in the market and, where appropriate, external advice on policies and practice. In the current year no external advice was taken.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. Fixed remuneration is measured on the basis of cost to the Company. Executive employment contracts provide for annual review of the fixed remuneration sum. There is no provision for guaranteed future incremental increases in fixed remuneration other than CPI increases.

Variable remuneration – Short term incentive (STI)

Objective

The objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available was set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure

Actual STI payments that may be granted to each executive depend on the extent to which specific targets, aligned to Company operational targets, set at the beginning of the financial year are met. The targets may consist of a number of stated objectives or key performance indicators (KPIs), which cover financial, non-financial, corporate and individual measures of performance.

The maximum STI bonus that may be payable under the current contracts is expressed as a percentage of annual base salary. For Mr Lymburn it was 30% of annual base salary of $282,858 per annum.

Entitlement to the STI is partly weighted towards company performance measured as the Company's Total Shareholder Return ("TSR") performance relative to a peer group of comparable Australian listed companies, and partly weighted towards the employee's performance relative to the stated objectives. TSR is calculated as the combination of share price growth over the financial year and gross dividend yield, expressed as a percentage of share price at the beginning of the year.

Variable remuneration – Short term incentive (STI)(cont.)

The STI is awarded in the form of fully paid shares. The number of shares allocated is based on the volume weighted average price ("VWAP") for shares in the Company in the ten (10) days trading immediately prior to the award date. However, the Company may, at its discretion choose to pay some or all of the STI in cash.

Given the Company entering administration, no STI entitlement was paid. In the prior year, Mr Lymburn elected to waive the award of his STI entitlement and the right to this award lapsed.

Variable remuneration – Long Term Incentive (LTI)

Objective

The objective of the LTI plan was to reward executives in a manner that aligns remuneration with the creation of shareholder wealth.

Structure

LTI grants to executives are delivered under an Employee Share Plan.

A material feature of the Employee Share Plan is that the issue of ordinary shares to the employee pursuant to the plan can be by way of provision of non-recourse, interest free loan to the employee, to be used for the purposes of subscribing for the shares. The offer of non-recourse, interest free loan is based on a share price that will be not less than the VWAP at which shares were traded on the ASX over the 10 trading days up to and including the trading day before the date of acceptance of the offer. The loan is non-recourse because it is only repayable using proceeds from sale of the LTI shares, unless the employee elects to repay with their own funds.

After subscription, the LTI shares are issued as ordinary shares, and the employee enjoys the same rights and benefits as any other shareholder, apart from the vesting conditions.

LTI shares are issued subject to vesting conditions, which mean they cannot be traded until the escrow period passes and the trading restriction is lifted. The shares vest with the employee in three equal annual instalments, subject to continuity of employment. Once the trading restriction has been lifted the employee may sell the shares.

If employment ceases for any reason, shares which have not reached the end of their escrow period are forfeited, and the corresponding legal loan is cancelled. Also upon cessation of employment, for shares which have vested the non-recourse legal loan becomes repayable one month after employment ceases, and in this situation the former employee can elect how to fund the loan repayment. In the case that the Company has entered into Administration, shares issued to employees, which have not been paid for will be cancelled.

The nature of this scheme is to provide an incentive to cause the share price to rise over the term of an employee's service, as well as retaining the employee's service, and hence there are no specific performance conditions attaching to these LTI shares.

The share price must rise above the award price before the employee receives any benefit. This structure of incentive was selected to align the longer term interests of KMP with the interests of shareholders.

Details of the number and vesting conditions of all LTI shares issued to KMP are provided elsewhere in this Remuneration Report.

Discretionary Bonuses

No discretionary bonuses were awarded during the current year.

Employment contracts

The Company entered into an employment contract with David Lymburn dated 30 November 2015.

Under the contract he was entitled to a fixed remuneration of $282,858 per annum (excluding mandatory superannuation). The employment contract provides for CPI increases annually. There is no contracted increase to the levels of fixed remuneration in this employment contract, although there are provisions for adjustment following performance reviews.

Under the contract was also entitled to short term incentive (STI) and long term incentive (LTI) compensation, in accordance with the remuneration framework outlined in this Remuneration Report.

The contract with David Lymburn has no fixed term, but notice was given on his contract by the Company upon the Company entering into Administration.

If the Company terminates the contract (other than for serious misconduct or illness) then he is entitled to be paid his full salary and entitlements for a period of 3 months (being the notice period stipulated in the contract). If there is a permanent and significant change in terms and conditions of employment, this will be deemed a termination of his contract and he will be entitled to a lump sum payment equal to fifty percent of his base salary.

Details of the nature and amount of each element of the emoluments of each KMP of the Company received for the financial period are presented in the following table.

2018	**Short term benefits**		**Post-employment benefits**	**Long term Share based payments benefits**				
	Salary and fees(1) $	**Other(2) $**	**Superannuation benefits(1) $**	**STI $**	**LTI $**	**Leave(1) $**	**Total $**	**%perfor-mance related**
Non-executives								
Shaun Scott	26,636	1,462	2,530	-	-	-	30,628	-
Les Capelli	10,654	1,462	27,036	-	-	-	39,152	-
Executives								
David Lymburn	117,858	1,462	11,196	-	-	2,958	133,474	-
Total remuneration	155,148	4,386	40,762	-	-	2,958	203,254	

(1) Represents remuneration for period 1 July 2017 to 18 December 2017.
(2) Includes directors and officers insurance premium of $24,840, allocated across all KMP for period up until 18 December 2017.

2017	**Short term benefits**		**Post-employment benefits**	**Long term Share based payments benefits**				
	Salary and fees $	**Other(2) $**	**Superannuation benefits $**	**STI) (1) $**	**(LTI) (3) $**	**Leave $**	**Total $**	**% perfor-mance related**
Non-executives								
Shaun Scott	63,927	6,167	6,073	-	-	-	76,167	-
Les Capelli	46,667	6,167	23,333	-	-	-	76,167	-
Executives								
David Lymburn	281,458	6,166	26,738	-	1,778	7,769	323,909	-
Total remuneration	392,052	18,500	56,144	-	1,778	7,769	476,243	

(1) In addition to the total remuneration of $323,909 disclosed in the table above, Mr Lymburn was entitled to an STI in respect of the 2017 year if specific targets were achieved, with the maximum amount payable being $33,943. On the basis that Mr Lymburn waived his right to receive the STI for the 2017 year, the actual amount that would have been earned on achievement of the specific targets and payable to Mr Lymburn was not calculated.
(2) Includes directors and officers insurance premium of $18,500, allocated across all KMP.
(3) Value of Long Term Incentive shares allotted, for which the expense is allocated to this period.

The elements of emoluments have been determined on the basis of the cost to the Company.

Service Arrangements

The following service arrangements have been agreed between the Company and the directors with respect to remuneration and other terms of employment from the date the Company entered into Administration to the date of this report.

Administrators Hayden White and Matthew Woods of KPMG:

- Appointed 18 December 2017,
- The remuneration of the Administrators was calculated on an hourly rate basis, plus GST and disbursements. These rates were approved by Creditors,
- Total remuneration of Administrators for period ended 30 June 2018 was $165,000 plus $4,552 in disbursements.

Mr Martin Casey and Mr Steven Nicols:

- Commenced as Directors on the 15 November 2018. Mr Steven Nicols resigned as director on 18 November 2020.
- No term has been set, unless the Director is not re-elected by shareholders of the Company,
- Base annual fee of $nil until the Company is successfully re-purposed.

Mr Craig Smith:

- Commenced as Director on the 15 November 2018,
- Has an employment contract with TIGA Trading Pty Ltd, not the Company,
- No base salary or other compensation was received or is receivable by the Director in relation to services rendered to the Company.

Mr Peter Landos

- Commenced as Director on 18 November 2020
- Has an employment contract with TIGA Trading Pty Ltd, not the Company,
- No base salary or other compensation was received or is receivable by the Director in relation to services rendered to the Company.

Long term incentive (LTI) remuneration

The grant of LTI shares, which are considered to be "in substance options" or rights, under generally accepted accounting principles, was independently valued using the Black Scholes option valuation model which takes into account factors such as the share price at the date of grant, volatility of the share price, risk free rate and time period until vesting. Accounting standards require the value of the options granted to be brought to account over the expected term of vesting the benefits to the holder.

At 18 December 2017, there were 7,250,000 LTI shares held by KMP which are subject to service conditions. There is no expiry date on these vesting rights, but there must be continuity of employment to receive the vesting benefits. Upon the resignation of directors and the Company entering administration, KMP rights are subsequently cancelled.

					Vesting conditions	
Number of LTI rights	**Date of grant**	**Share price at date of grant**	**Valuation per right**	**Exercise price of each right**	**Number of shares**	**Release from escrow, vesting date and first exercise date**
5,250,000	22 Mar 2013	$0.015	$0.015	$0.012	1,750,000	18 Dec 2012
					1,750,000	18 Dec 2013
					1,750,000	18 Dec 2014
2,000,000	1 Oct 2013	$0.008	$0.008	$0.012	666,668	31 Dec 2013
					666,666	31 Dec 2014
					666,666	31 Dec 2015
7,250,000						

Additional disclosures relating to shares and rights to shares

Details of Key Management Personnel interest in rights through the LTI

	Rights at beginning of year 1 July 2017	Rights exercised	Rights cancelled	Rights at end of 18 December 2017
Les Capelli	-	-	-	-
Shaun Scott	-	-	-	-
David Lymburn	7,250,000	-	-	7,250,000
Total	7,250,000	-	-	7,250,000

Shareholdings of Key Management Personnel - shares held in AnaeCo Limited (number)

	Balance at beginning of year 1 July 2017	Net change other	Balance at end of 18 December 2017
Les Capelli	123,467,762	-	123,467,762
Shaun Scott	19,501,824	-	19,501,824
David Lymburn	10,558,607	-	10,558,607
Total	153,528,193	-	153,528,193

Loans and Transactions with Key Management Personnel and Related Parties

The Company did not make any loans to key management personnel or related parties or enter into any transactions with key management personnel or related parties during or since the end of the financial year.

Remuneration Report Approval 2017 AGM

The 2017 remuneration report received positive shareholder support at the 2017 AGM with a vote of 87% in favour.

END OF REMUNERATION REPORT

SHARE OPTIONS

At the date of this report no other issued options over ordinary shares existed as they expired without exercise before the end of the previous year.

No options were issued or exercised during the year. No options were granted or exercised subsequent to the end of the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year the Company paid a premium of $24,840 in respect of a Directors and Officers Insurance Policy. This policy provides insurance cover in certain circumstances for matters that may give rise to potential liability of directors and officers and includes the cost of defending such action, except where the liability arises out of:

- any conduct or contravention in respect of which a liability is the subject of a prohibition in section 199B(1) of the *Corporations Act 2001*; or
- the committing of any deliberately dishonest or deliberately fraudulent act.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

During the year and up to the date of this report the Company has complied with all of its environmental obligations, where applicable.

PROCEEDINGS ON BEHALF OF THE COMPANY

Prior to legal proceedings being taken against the Company, the Company was placed into voluntary administration by the Directors. All claims against the Company were extinguished and became property of the Creditor's Trust.

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ANAECO LIMITED

The directors have received an Independence Declaration from Ernst & Young the auditor of AnaeCo Limited which forms part of this Directors' Report and is included on page 13 of this financial report.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services: Tax consulting and compliance services; $8,000.

OTHER DISCLOSURES

The Company is domiciled in Australia and was a public listed Company listed on the Australian Securities Exchange (trading symbol: ANQ), until 3 February 2020. The registered office and principal place of business is 55 Collins Street, Melbourne, Victoria 3000.

Signed in accordance with a Resolution of the Board of Directors

Martin Casey, Chairman
Melbourne, 19 March 2021

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Auditor's Independence Declaration to the Directors of AnaeCo Ltd

As lead auditor for the audit of the financial report of AnaeCo Ltd for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Kester Brown
Partner
19 March 2021

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CORPORATE GOVERNANCE STATEMENT

The Company entered into voluntary administration on 18 December 2017 and control of the Company passed to the Administrators.

The current Board is in the process of transforming and recapitalising the Company, as described in the Directors' report. Therefore the Corporate Governance policies are the subject of further review by the current Board.

For a copy of the previous Corporate Governance Statement that operated prior to the Company being placed into administration, please refer to the 30 June 2017 Annual Report.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2018

	Notes	June 30 2018 $	Restated June 30 2017 $
Continuing operations			
Corporate and administration expenses		(62,000)	-
Loss before income tax expense from continuing operations		(62,000)	-
Income tax (expense)/benefit	4	-	-
Net loss after tax and total comprehensive loss for the period attributable to members of AnaeCo Limited from continuing operations		(62,000)	-
Discontinued operations			
Loss after tax for the period from discontinued operations	3	(2,477,196)	(5,824,167)
Net loss after tax attributable to members of AnaeCo Limited and total comprehensive expense for the period		(2,539,196)	(5,824,167)
Total gain (loss) per share attributable to ordinary equity holders of the Company from continuing operations:			
Basic loss per share		0.00 cents	0.00 cents
Diluted loss per share		0.00 cents	0.00 cents
Total gain (loss) per share attributable to ordinary equity holders of the Company from discontinued operations:			
Basic loss per share		(0.09) cents	(0.22) cents
Diluted loss per share		(0.09) cents	(0.22) cents

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Notes	June 30 2018 $	June 30 2017 $
ASSETS			
Current Assets			
Cash and cash equivalents		-	348,812
Trade and other receivables		-	1,195,213
Other assets		-	15,375
Assets held for disposal	3	2,882,092	-
TOTAL CURRENT ASSETS		2,882,092	1,559,400
Non-Current Assets			
Property, plant and equipment		-	4,651
Intangible assets		-	2,093,000
TOTAL NON CURRENT ASSETS		-	2,097,651
TOTAL ASSETS		2,882,092	3,657,051
LIABILITIES			
Current liabilities			
Trade and other payables		62,000	5,713,197
Interest bearing loans and borrowings		-	15,911,848
Provisions		-	194,240
Liabilities directly associated with the assets held for disposal	3	23,873,945	-
TOTAL CURRENT LIABILITIES		23,935,945	21,819,285
Non-Current Liabilities			
Provisions		-	352,423
TOTAL NON CURRENT LIABILITIES		-	352,423
TOTAL LIABILITIES		23,935,945	22,171,708
NET LIABILITIES		(21,053,853)	(18,514,657)
EQUITY			
Contributed equity	5	68,351,419	68,351,419
Reserves	6	-	1,237,690
Accumulated losses	7	(89,405,272)	(88,103,766)
TOTAL SHAREHOLDERS' DEFICIT		(21,053,853)	(18,514,657)

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2018

	Notes	12 months June 30 2018 $	12 months June 30 2017 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,747,859)	(4,057,667)
R&D tax incentive received		777,171	5,626,783
Other income		36,216	593,834
Interest received		1,515	16,678
Interest paid		(405)	(4,260)
Cash asset held for disposal		(538,450)	-
Net cash flows from/(used in) operating activities	8	(1,471,812)	2,175,368
Cash flows from investing activities			
Purchases of property, plant and equipment		-	(1,799)
Disposals of property, plant and equipment		-	3,106
Net cash flows from investing activities		-	1,307
Cash flows from financing activities			
Proceeds from borrowings		1,900,000	2,100,000
Repayment of borrowings		(777,000)	(4,538,748)
Net cash flows (used in)/from financing activities		1,123,000	(2,438,748)
Net decrease in cash and cash equivalents		(348,812)	(262,073)
Cash and cash equivalents at beginning of period		348,812	610,885
Cash and cash equivalents at end of period		-	348,812

The accompanying notes form part of these financial statements and include cash flows relating to discontinued operations.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

For the year ended 30 June 2018	Contributed equity $	Accumulated losses $	Employee benefits reserve $	Total equity $
At the beginning of the year	68,351,419	(88,103,766)	1,237,690	(18,514,657)
Loss for the period	-	(2,539,196)	-	(2,539,196)
Total comprehensive expense for the period	-	(2,539,196)	-	(2,539,196)
Cancelled options transferred to accumulated losses[1]	-	1,237,690	(1,237,690)	-
At the end of the year	68,351,419	(89,405,272)	-	(21,053,853)

For the year ended 30 June 2017	Contributed equity $	Accumulated losses $	Employee benefits reserve $	Total equity $
At the beginning of the year	68,351,419	(82,279,599)	1,215,524	(12,712,656)
Loss for the period	-	(5,824,167)	-	(5,824,167)
Total comprehensive expense for the period	-	(5,824,167)	-	(5,824,167)
Transactions with owners in their capacity as owners	-	-	-	-
Share based payment	-	-	22,166	22,166
At the end of the year	68,351,419	(88,103,766)	1,237,690	(18,514,657)

The accompanying notes form part of these financial statements.

[1] The employee share options reserve arises on the grant of options to directors and employees under the share plan. Amounts are recognised in accordance with note 6.

Notes to Financial Statements

1 Corporate Information

The financial report of AnaeCo Limited ("the Company" or "AnaeCo") for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors 19 March 2021.

AnaeCo Limited is a company limited by shares incorporated and domiciled in Australia. The registered office is 55 Collins Street, Melbourne, Victoria, Australia.

The principal activity of the Company prior to entering administration was the development and commercialisation of a process for the treatment of organic municipal solid waste (the AnaeCo™ System). The new Board of Directors are currently assessing the future direction of the Company.

2 Summary of significant accounting policies

(a) Basis of Preparation

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars, and the Company is a for-profit entity.

The Company formerly wholly owned and controlled entities AnaeCo UK Limited, AnaeCo Inc. and AnaeCo Asia Pte Ltd. AnaeCo UK Limited (a United Kingdom incorporated company), AnaeCo Inc (a United States incorporated company) and AnaeCo Asia Pte Ltd (a Singapore incorporated company) are no longer registered and not consolidated. The Companies had not yet commenced business operations and to date had only incurred minimal corporate and administrative expenditure.

Going Concern

This financial report has been prepared on a going concern basis. In arriving at this position the directors have taken into consideration the following:

- In May 2018 the Company entered a Deed of Company Arrangement with its Creditors and these arrangements included a loan of $665,000, which has been provided from TIGA Trading Pty Ltd, a company controlled by Thorney Investment Group, on 15 November 2018 upon the completion of the DOCA
- The directors have received a letter dated 5 March 2021 from TIGA Trading Pty Ltd which states financial support will be provided to the Company to meet liabilities as and when they fall due. This financial support lasts at least until the earlier of twelve months from signing of the financial statements and the completion of a capital raising by the Company as proposed by Thorney Investment Group, of greater than $1 million.

At the date of this report and having considered the above factors, the directors believe that the Company will be able to continue as a going concern.

Whilst the financial report has been prepared on a going concern basis as the entity is expected to remain a going concern, the assets and liabilities held at balance date are not expected to be realised through the ordinary course of business. The measurement of the assets and liabilities reflects the values to be disposed by the company through the Deed of Company Arrangement, which was executed on 1 May 2018.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Since 1 July 2017, the Company has adopted all Accounting Standards and Interpretations, mandatory for annual periods beginning on or before 1 July 2017.

Adoption of these new and amended Standards and Interpretations did not have any significant effect on the financial position or performance of the Company.

Notes to Financial Statements

(b) Statement of compliance (continued)

A number of Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and have not yet been adopted by the Company. These are outlined in the table below.

The Company has not yet completed its assessment of the standards noted below but for new and amended Australian Accounting Standards and Interpretations effective at 1 July 2018, it is expected that there will be no significant impact on the Company.

Ref	Title	Summary	Application date of standard	Application date for Company
AASB 9	Financial Instruments	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. Classification and measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.	1 January 2018	1 July 2018
AASB 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. The core principle of IFRS 15 is that the entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.	1 January 2018	1 July 2018
IFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions [Amendments to IFRS 2]	This standard amends to IFRS 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: • The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments • Share-based payment transactions with a net settlement feature for withholding tax obligations A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled	1 January 2018	1 July 2018
AASB 16	Leases	The key features of AASB 16 are as follows: This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. An entity shall consider the terms and conditions of contracts and all relevant facts and circumstances when applying this Standard. An entity shall apply this Standard consistently to contracts with similar characteristics and in similar circumstances.	1 January 2019	1 July 2019

Notes to Financial Statements

(c) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before the revenue is recognised.

Long term contracts
Revenue from engineering services contracts is recognised according to the provisions of each contract, and profit is recognised according to the stage of completion method. Stage of completion is measured by reference to actual costs incurred in providing the contract services as a percentage of the total forecast costs for completion of the contract services.

Where the forecast total costs to complete the contract exceed the forecast total revenue and the contract is estimated to be loss making it is deemed an onerous contract and a provision is made immediately for the full forecast loss.

When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

General engineering services
Revenue from general engineering services that do not form part of long term contracts, is based on a time billing system, with invoices raised at the end of each month when billable time has been spent. Revenue is recognised in the month when the service is provided.

Interest income
Revenue is recognised as the interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

(e) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of an arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

(f) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Notes to Financial Statements

(g) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Objective evidence may mean the debt is more than 90 days past its due date. Bad debts are written off when identified.

(h) Long term contracts

Work in progress on long term contracts for engineering services is valued at contract cost to date, plus profit recognised to date if applicable, and less any provision for anticipated future losses and progress billings. Costs may include an allocation of overheads. Profit is measured using the stage of completion method which is explained in the accounting policy on Revenue Recognition.

(i) Financial assets and financial liabilities

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available for sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

Loans and receivables
This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables. This category generally applies to trade and other receivables.

Derecognition
A financial asset is primarily derecognised (i.e. removed from the Company's consolidated statement of financial position) when; the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(i) Financial assets and financial liabilities (continued)

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and loans and borrowings including any bank overdrafts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to note 15.

De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(j) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

(j) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(k) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows: Plant and equipment – over 2.5 to 15 years.

(m) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

De-recognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use or disposal of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognised.

(n) Discontinued operations

On 18 December 2017, the business operations of the Company ceased and entered into voluntary administration. The directors no longer had the ability to exercise powers to affect investor returns over the Company and its dormant subsidiaries and hence ceased to consolidate the subsidiaries from this date. The directors also lost control over the allocation of the Company's assets and associated liabilities. In accordance with the Deed of Company Arrangement ("DOCA") signed 1 May 2018, assets and liabilities of the Company were assigned to the Creditor's trust and Monadelphous Group Limited (MND). Therefore the assets and associated liabilities relating to the former operations of the Company are classified a disposal group and discontinued operation at 30 June 2018.

(o) Intangible assets

Acquired both separately and from a business combination
Intangible assets acquired separately or in a business combination, are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets that is at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred. Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Research and development costs
Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development, the ability to measure reliably the expenditure attributable to the intangible asset during its development and the ability to use the tangible asset generated. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period. A summary of the policies applied to the Company’s intangible assets is as follows.

	Patents	**Development costs**	**Computer software**
Useful lives	Finite	Finite	Two and a half years
Method used	Amortised up to 20 years on straight-line basis.	Amortised over 10 years on straight-line basis.	Amortised up to 2 1/2 years on straight-line basis.
Internally acquired or generated	Acquired	Internally generated	Acquired

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(p) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. The increase in the provision resulting from the passage of time is recognised in finance costs.

(r) Employee leave benefits

Short term benefits
Liabilities for short term benefits expected to be settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liability is settled. Expenses for non-vesting sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash flows.

(s) Pensions and other post-employment benefits

The Company makes contributions to superannuation funds on behalf of employees in accordance with Superannuation Guarantee Contribution obligations, recognising employee choice of fund as required. None of these arrangements give rise to defined benefit obligations by the consolidated entity. Contributions to superannuation funds are recognised at cost in the period incurred.
There are no other pension schemes or post-employment benefits.

(t) Share-based payment transactions

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

Details of plans in place for all or part of the financial year to provide these benefits are as follows:

- Long term incentive share scheme - Each non-executive director, each key management personnel and other senior members of staff, are granted long term incentive shares, under which shares vest to the employee over specified periods of time.
- Short term incentive scheme - Each key management personnel and other senior members of staff, were awarded annual short term incentive bonuses. Mr Lymburn waived his right to his STI entitlement for the 2017 year.

Details of all share based remuneration schemes and the number of shares and rights which have been issued under those schemes are provided in the Remuneration Report and elsewhere in the notes to these financial statements.

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is generally determined using a Black Scholes valuation model.

In valuing equity-settled transactions, no account is taken of performance conditions other than market conditions.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

(t) Share-based payment transactions (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the consolidated entity, will ultimately vest. This opinion is formed based on the best available information at balance date.

No expense is recognised for awards that do not ultimately vest. However, any amount subject to market conditions is considered to vest irrespective of whether or not that market condition is fulfilled.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the total fair value of the share based payment transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding rights is reflected as additional share dilution in the computation of earnings per share.

The long term incentive scheme (LTI) is accounted for as an in substance option plan due to the limited recourse nature of the loan.

(u) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or rights are shown in equity as a deduction from the proceeds.

Shares in the Company held under the long term incentive scheme (LTI) are classified and disclosed as employee reserved shares and deducted from equity.

(v) Significant accounting judgements, estimates and assumptions

In the process of applying the Company’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Fair value less costs to distribute discontinued operations

The Company was placed into administration on 18 December 2017 and from this date its dormant subsidiaries were no longer consolidated and all power and control of the Company was passed to the Administrators. The Directors are anticipating zero consideration as any net proceeds from the wind up of these Companies will belong to the established Creditor’s trust.

(w) Earnings per share

Basic earnings per share is calculated as net profit from continuing operations attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends),
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised, and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(x) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is deducted from the asset to which it relates, the net value of which is amortised over its expected useful life.

The Company is treating its expected receipt of the R&D Tax Incentive refund as a government grant.

3 DISCONTINUED OPERATIONS

On 18 December 2017, the directors announced to the ASX that they had placed the Company into voluntary administration. The directors no longer had the ability to exercise powers to affect investor returns over the Company and its dormant subsidiaries and hence ceased to consolidate the subsidiaries from this date. In accordance with the Deed of Company Arrangement ("DOCA") signed 1 May 2018, assets and liabilities of the Company were assigned to the Creditor's trust and Monadelphous Group Limited (MND). Therefore the assets and associated liabilities relating to the former operations of the Company are classified a disposal group and discontinued operation.

The profit and loss results for discontinued operations are as follows:

	June 30 2018 $	June 30 2017 $
Revenue from discontinued operations	207,449	447,729
Other income	-	777,171
Cost of goods sold	(40,783)	(221,061)
Gross profit	166,666	1,003,839
Other indirect costs	(2,643,862)	(6,828,006)
Total result from discontinued operations	(2,477,196)	(5,824,167)
Gain/ (loss) recognised on the re-measurement to fair value less costs to distribute	-	-
Loss before tax on discontinued operations	(2,477,196)	(5,824,167)
Tax on discontinued operations	-	-
Loss after tax from discontinued operations	(2,477,196)	(5,824,167)
Loss per share from discontinued operations (cents)	(0.09)	(0.14)

This table shows the major classes of assets and liabilities as at 30 June 2018 held for disposal:

CURRENT ASSETS	
Cash and cash equivalents	538,450
Trade and other receivables	618,187
Other	56,824
TOTAL CURRENT ASSETS	1,213,461
NON-CURRENT ASSETS	
Property, plant and equipment	3,296
Intangibles[1]	1,665,056
Other	279
TOTAL NON-CURRENT ASSETS	1,668,631
Assets held for disposal	**2,882,092**
CURRENT LIABILITIES	
Trade and other payables	5,631,753
Provisions	165,106
TOTAL CURRENT LIABILITIES	5,796,859
NON-CURRENT LIABILITIES	
Interest bearing loans	17,722,583
Provisions	354,503
TOTAL NON-CURRENT LIABILITIES	18,077,086
Liabilities directly associated with the assets held for disposal	**23,873,945**

3. DISCONTINUED OPERATIONS (continued)

	June 30 2018 $
Cash flows from operating activities	(1,471,812)
Cash flows from investing activities	-
Cash flows from financing activities	1,123,000)
NET CASHFLOWS FROM DISCONTINUED OPERATIONS	(348,812)

[1]As part of the Deed of Company Arrangement, Monadelphous Group Limited (MND) was assigned the Company's intangible assets, which consisted of patents and intellectual property. MND ultimately did not claim these assets, and consequently lead to the assets being written off by the Company.

4. INCOME TAX

	June 30 2018 $	June 30 2017 $
The major components of income tax expense are:		
Income statement		
Current income tax		
Current income tax (charge)/benefit	-	-
Deferred income tax		
Relating to origination and reversal of temporary differences	-	-
Income tax benefit as reported in the income statement	-	-
A reconciliation between tax benefit and the product of accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:		
Accounting gain (loss) before tax	(2,539,196)	(5,824,167)
At the statutory income tax rate of 27.5% (2017: 27.5%)	(698,279)	(1,601,646)
(Income not assessable)/expenditure not allowable for income tax purposes	1,549	6,497
R&D expenditure	-	491,315
R&D tax incentive recognised not assessable	-	(213,722)
Tax losses & temporary differences not recognised	696,730	1,317,556
	-	-
Deferred income tax		
Unrecognised tax losses	16,190,049	15,559,894
Temporary differences	(422,692)	(412,191)
	15,767,357	15,147,703
Temporary differences comprises:		
Unamortised balance of business related expense deductions	17,349	26,217
Employee benefits provisions	142,892	150,333
Other	340,342	316,903
Intangibles - development expenditure	(923,275)	(905,644)
	(422,692)	(412,191)

At 30 June 2018 the Company has estimated tax losses of $58,872,906 (2017: $56,130,757) that are available to offset against future taxable profits, subject to continuing to meet relevant statutory tests.

		June 30 2018 $	June 30 2017 $
5.	**CONTRIBUTED EQUITY**		
	Issued and fully paid ordinary shares	71,315,426	71,772,426
	Costs of capital raising	(2,964,007)	(2,964,007)
	Reserved shares	-	(457,000)
		68,351,419	68,351,419

	Movements in ordinary fully paid shares	**Shares**	**$**
	Balance at 30 June 2017	2,672,798,567	71,772,426
	Balance at 30 June 2018	2,672,798,567	71,315,426

6.	**RESERVES**		
	Employee benefits reserve	1,237,690	1,237,690
	Balance at beginning of period	1,237,690	1,215,524
	Share based payments	-	22,166
	Cancellation of options	(1,237,690)	-
	Balance at end of the period	-	1,237,690

The employee benefits reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Due to the company entering administration the options have been cancelled.

7.	**ACCUMULATED LOSSES**		
	Opening balance	(88,103,766)	(82,279,599)
	Current year loss attributable to members of the company	(2,539,196)	(5,824,167)
	Cancellation of options	1,237,690	-
	Closing balance	(89,405,272)	(88,103,766)

8.	**RECONCILIATION OF NET LOSS AFTER TAX TO THE NET CASH FLOWS FROM OPERATING ACTIVITIES**		
	Loss after tax	(2,539,196)	(5,824,167)
	Non-cash items:		
	Depreciation and amortisation	429,021	862,464
	Share based payment expenses	-	22,166
	Accrued loan interest	687,736	2,194,203
	Consultancy fees not paid in cash	-	-
	Subsidiary de-consolidation adjustment	(5,246)	-
	Gain on disposal of property, plant & equipment	-	(3,106)
	Net movement in the provision for loss on engineering services contract	-	-
	Changes in net assets and liabilities:		
	Decrease in trade and other receivables	562,609	4,996,308
	Increase in prepayments	(41,448)	(10,793)
	(Decrease)/increase in trade and other payables	(19,446)	(75,237)
	Increase/(decrease) provision for employee benefits	(27,055)	13,530
	Increase/(decrease) in interest bearing liabilities	(329,149)	-
	Discontinued operations adjustment	(189,638)	-
	Net cash flow used in operating activities	(1,471,812)	2,175,368

Cash-flows from operating activities include cash flows relating to discontinued operations.

9. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The lease covering the premises occupied by the Company's main business operation was renewed on 1 September 2016 for a period of two and a half years, expiring on 28 February 2019. Upon the Company entering administration, control over the lease arrangement was handed to the Administrators. At the date of this report, the Company does not have any lease arrangements.

Future minimum rentals payable under this non-cancellable
Operating lease at balance date are:

	June 30 2018 $	June 30 2017 $
Within one year	-	96,570
After one year but not more than five years	-	64,380
	-	160,950

Capital commitments
The Company has no capital commitments at the date of this report (2017:nil).

Contingencies
Any claims that may have arisen from the undertaking long term engineering and construction contracts were extinguished upon the Company exiting Administration.

A contingent liability exists for $320,000 post completion obligation, as per the DOCA executed on 1 May 2018.

10. RELATED PARTY TRANSACTIONS

Compensation for Key Management Personnel		
Short term employee benefits	159,533	410,552
Long term employee benefits (LSL)	2,958	7,769
Post-employment benefits	40,763	56,145
Share based payments	-	1,778
Total compensation	203,254	476,244
Key Management Personnel interest in rights through the LTI	-	7,250,000
Administrator Remuneration	169,552	-

Details of directors' remuneration and retirement benefits are disclosed in the Remuneration Report, as well as remuneration of Administrators.

Related party concerned with discontinued operations is Monadelphous Group Limited, for which at 18 December 2017 the Company had borrowed up to $17,647,597 including interest. During the half year, an amount of $777,000 was repaid to Monadelphous Group Limited from funds received via the 2017 R&D Tax Incentive refund. Upon the Company entering into the DOCA, all liabilities against the Company were subsequently extinguished and transferred to the Creditor's Trust.

TIGA Trading Pty Ltd, a company controlled by the Thorney Investment Group, advanced a total of $750,000 to assist the Company entering out of administration, as per the agreed terms of the DOCA. Of this $665,000 was paid to the Administrators for the benefit of the Creditor's Trust, and $85,000 was paid on behalf of the Company for reimbursement of costs to Benelong Capital Partners Pty Ltd (Promoter). Since the Company has exited from administration TIGA Trading Pty Ltd has continued to fund the Company's operating expenses.

TIGA Trading Pty Ltd has provided a letter of financial support to the Company until the earlier of twelve months from the signing of the financial statements and the completion of a capital raising by the Company as proposed by Thorney Investment Group, of greater than $1 million.

TIGA Trading Pty Ltd, Thorney Holdings Pty Ltd and Thorney Investment Group Australia Pty Ltd are related body corporates controlled by Alex Waislitz by virtue of 608(1) of the *Corporations Act 2001*.

TIGA Trading Pty Ltd employs personnel to provide company secretarial and financial accounts preparation services to the Company. These services are provided on commercial terms and total $nil for the 2018 financial year. Mr. Martin Casey is a corporate advisor to Thorney Investment Group and Mr. Craig Smith has been Chief Financial Officer of the Thorney Investment Group since 2008.

11. SEGMENT REPORTING

For management purposes, the Company was organised into one main operating segment, which operated in the waste management sector. All the Company's activities were interconnected and all significant operating decisions were based on analysis of the Company as one segment. The former board of directors monitored the financial performance of the Company as a whole and performance was evaluated based on the financial results of the segment which are the equivalent of the financial statements as a whole. All revenues and non-current assets were considered to be derived and held in one geographical area being Australia. The future direction of the Company is yet to be determined.

12. REMUNERATION OF AUDITORS

	June 30 2018 $	June 30 2017 $
Amounts paid or due and payable to the auditors of the parent Company for:		
Audit services, including half year audit review services	54,000	84,408
Tax services	8,000	45,000
	62,000	129,408

13. SIGNIFICANT EVENTS AFTER BALANCE DATE

No matter or circumstance has arisen since the end of the financial year and up to the date of this report which significantly affects the results of the operations of the Company for the next financial year, other than:

- On 10 April 2018 the Company's creditors voted to approve a DOCA proposed by the Administrators and was executed on 1 May 2018. Under the DOCA Agreement, all claims by Creditors against the Company are completely discharged and become claims against the Creditor's Trust. Further it is agreed that Monadelphous receives a transfer of debtors, per the separate Deed of Assignment of Debt, signed 15 November 2018.
- On 15 November 2018 the Company ceased being under administration and three new Directors were appointed by the Administrators.
- On 3 February 2020 AnaeCo Limited was officially removed from the official list by ASX under listing rule 17.12. Consequently, the Company is no longer listed on the ASX.
- Thorney Investment Group continues to fund the day-to-day operations of the Company to date, refer to note 10 for further details.
- The board is still deciding the future direction of the Company.

14. DIVIDENDS

No dividends have been paid or declared during the year.

15. EARNINGS PER SHARE

Basic loss per share from continuing operations	(0.00) cents	(0.00) cents
Basic loss per share from discontinued operations	(0.09) cents	(0.22) cents
Weighted average number of shares used in the calculation of basic earnings per share	2,672,798,567	2,672,798,567
Diluted gain (loss) per share from continuing operations	(0.00) cents	(0.00) cents
Diluted gain (loss) per share from discontinued operations	(0.09) cents	(0.22) cents
Loss used in determination of basic and diluted earnings per share from continuing operations	(62,000)	-
Loss used in determination of basic and diluted earnings per share from discontinued operations	(2,477,196)	(5,824,167)

Basic and diluted loss per share for all periods prior to the renounceable rights issue completed during the 2013 year have been adjusted by a factor of 1.184 to account for the bonus element.

Securities on issue and rights at balance date which are potentially dilutive to earnings per share:

Rights to shares in Employee share plan (LTI)	-	38,083,335
Total potentially dilutive securities	-	38,083,335

Potentially dilutive securities have not been used in calculating diluted earnings per share, because they are anti-dilutive. No shares have been issued in the period subsequent to 30 June 2018 and up to the date of this report.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of AnaeCo Limited, I state that:

1. In the opinion of the Directors:

    a. the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Company are in accordance with the *Corporations Act* 2001, including:

        i. giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

        ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;

    b. the financial statements also comply with International Financial Reporting Standards as disclosed in note 2(b); and

    c. subject to note 2(a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2018.

On behalf of the Board

Martin Casey
Chairman
Melbourne, 19 March 2021

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Independent Auditor's Report to the Members of AnaeCo Limited

Qualified Opinion

We have audited the financial report of AnaeCo Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the financial position of the Company as at 30 June 2018 and of its financial performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

As at 30 June 2017 the carrying value of the Company's recognised development expenditure and a receivable for the provision of engineering and design services were $1,600,942 and $400,000, respectively, as disclosed in Note 3. As at 30 June 2018 the development expenditure and a receivable for the provision of engineering and design services were nil, as disclosed on Note 3.

As at 30 June 2017 we were unable to obtain sufficient appropriate evidence to assess the recoverability of the recognised development expenditure and the receivable for the provision of engineering and design services. Our opinion on the financial report for the year ended 30 June 2017 was modified accordingly. Consequently, we were unable to determine whether adjustments might have been necessary in respect of the gain/ (loss) recognised on the re-measurement to fair value less costs to distribute for the year reported in the statement of comprehensive income for the year ended 30 June 2018 as it reflects the movement in the carrying value of the recognised development expenditure and the receivable for the provision of engineering and design services from 1 July 2017.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the directors' report, including the remuneration report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

K Brown

Kester Brown
Partner

Melbourne
19 March 2021

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